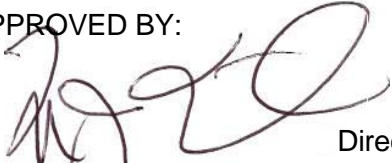




DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

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APPROVED BY:  Director	SUPERSEDES 112.18 12/31/2012	ORIGINAL ISSUE DATE 11/01/2007	DISTRIBUTION LEVEL 1

PURPOSE

- 1.1 The purpose of this policy is to define the Los Angeles County-Department of Mental Health's (LAC-DMH) commitment to integrity by demonstrating its intent to comply with the Code of Federal Regulations (CFR) 42 § 438.608 (b) (2) which requires a Compliance Officer (CO) be designated and accountable to senior management.

POLICY

- 2.1 LAC-DMH will designate a position in its operation for a CO.
- 2.2 The LAC-DMH CO is responsible for the development, operation, and oversight of the following:
- 2.2.1 The LAC-DMH compliance program will meet the requirements of CFR 42 § 438.608, Program Integrity Requirements, through the efforts of the Compliance Program and Audit Services Bureau (CPAS). In addition, the CO will be responsible for:
- 2.2.1.1 The LAC-DMH Health Insurance Portability and Accountability Act's (HIPAA) Privacy Unit that will meet the requirements of the HIPAA Privacy Rule, Health Information Technology for Economic and Clinical Health (HITECH) regulations, and other privacy requirements that may be enacted.
- 2.2.1.2 The administration of financial auditing and contract monitoring reviews conducted by a Certified Public Accounting (CPA) firm and the Los Angeles County Auditor-Controller's Contract Monitoring Division, respectively. Administration will include:
- Ensuring that corrective action plans are developed and implemented as needed, and



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- Collecting funds paid for disallowed units of service and other costs.

2.3 The CO will report directly to the LAC-DMH Chief Deputy Director.

2.4 The CO will work with County Counsel as needed.

2.5 The CO will meet with the Compliance Program Steering Committee (CPSC) on a quarterly basis to solicit their advice, strategies, and guidance.

PROCEDURE

3.1 The CO has the following general compliance-related responsibilities:

3.1.1 Ensures that the CFR 42 § 438.608 are met by including the following arrangements or procedures:

- 3.1.1.1 Written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with all applicable federal and State standards.
- 3.1.1.2 Effective training and education for the CO and LAC-DMH employees is routinely available.
- 3.1.1.3 Effective lines of communication are established between the CO and LAC-DMH managers and employees.
- 3.1.1.4 Enforcement standards are publicized.
- 3.1.1.5 Provisions for internal auditing and monitoring are in place.
- 3.1.1.6 Provisions for prompt response to detected offenses, and development of corrective action plans/initiatives relative to the State contract are in place (See Reference 1).

3.1.2 Directs all investigations involving potential criminal activity to the Auditor-Controller's Office of County Investigations (OCI) consistent with Board of Supervisors policy. In doing so, LAC-DMH will avoid disturbing any evidence or notifying potential subjects of an investigation, while enabling the OCI to assess the evidence and complete an investigation with complete access to data or other evidence. The CO will report such actions to the Chief Deputy Director in a timely manner.



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3.1.3 Administers Auditing and Monitoring contract and agreements with the CPA firm that conducts outside monitoring and the County's Auditor-Controller's Contract Monitoring Division. Administration includes:

3.1.3.1 Ensuring that the CPA firm receives information necessary to conduct their audits as specified in the contract between the County Auditor-Controller and the CPA firm.

- At the request of the Auditee, Audit Services will review the CPA firm's financial audit reports to ensure policies, procedures, rules, regulations, and legal requirements are properly interpreted and applied to findings. This request is considered an audit appeal as specified in the contract between the County and Auditor-Controller.

3.1.3.2 Attending audit exit conferences.

3.1.3.3 Reviewing corrective action plans.

3.1.3.4 Invoicing contractors for disallowed costs and/or units.

3.1.3.5 Monitoring the implementation of audit and review findings.

3.1.3.6 Meeting with LAC-DMH Quality Assurance and Auditor-Controller's Contract Monitoring Division auditors to review findings and to ensure proper interpretation of LAC-DMH guidelines.

3.1.4 The following CO responsibilities are limited to LAC-DMH only:

3.1.4.1 Advises LAC-DMH management of the need for new or revised policies and procedures; oversees development, distribution, and implementation of policies; assures that policies adequately and effectively communicate legal and regulatory requirements; periodically reviews policies and procedures and initiates needed updates (See References 2 and 3).

3.1.4.2 Develops training that meets the needs of the organization, assuring that training accurately reflects and communicates legal and regulatory requirements; develops and implements tracking mechanisms to document attendance and/or completion of required training (See Reference 4).



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3.1.4.3 Continuously reviews organizational risk areas to identify necessary auditing and monitoring activities to be included in the Compliance Work Plan.

3.1.4.4 Assists the organization in developing appropriate standards for discipline and enforcement, e.g., DMH Policy Nos. 605.01, Discipline, and 106.08, Graded Sanctions (See References 5 and 6).

3.2 The CO is responsible for ensuring that HIPAA and HITECH Privacy requirements are met. This includes but is not limited to:

3.2.1 Ensuring contract agreements are developed and reviewed to be certain that LAC-DMH Business Associates are aware of their responsibilities for protecting the privacy of LAC-DMH clients. This responsibility is delegated to the Privacy Officer who reports to the CO.

3.2.2 Conducting monitoring reviews to maintain compliance with HIPAA and HITECH requirements.

3.2.3 Developing and updating of policies and procedures relative to Privacy.

3.2.4 Consulting with the Countywide Privacy Officer as needed.

3.2.5 Consulting with County Counsel as needed.

AUTHORITY

1. CFR 42 § 438.608, Program Integrity Requirements

REFERENCES

1. DMH Policy No. 106.11, Compliance Plan
2. DMH Policy No. 106.01, Compliance Program Communication
3. DMH Policy No. 116.17, Policy Development, Review, Approval, and Distribution
4. DMH Policy No. 106.10, Compliance Training for LAC-DMH Workforce
5. DMH Policy No. 605.01, Discipline
6. DMH Policy No. 106.08, Graded Sanctions

RESPONSIBLE PARTY

LAC-DMH Office of the Compliance Officer